

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte RANDY J. TEMPLETON,
CASSANDRA J. MOLLETT and
DAVID WAYNE SMITH

Appeal No. 2006-0518
Application 10/358,615

ON BRIEF

Before KRASS, JERRY SMITH, and SAADAT, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-11 and 13-23, which constitute all the claims pending in this application.

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The disclosed invention pertains to an integrated point of sale payment terminal for processing multiple payment types including payment by check.

Representative claim 1 is reproduced as follows:

1. An integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal comprising:

a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check;

a processor disposed in the housing;

a memory in communication with the processor;

a magnetic ink character recognition device, for reading a string of magnetic ink characters on the check, affixed to the housing at the document slot and in communication with the processor; and

an imaging device, for capturing an image of the check, affixed to the housing at the document slot and in communication with the processor,

wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot.

The examiner relies on the following references:

Harr	3,599,151	Aug. 10, 1971
Higashiyama et al. (Higashiyama)	5,175,682	Dec. 29, 1992
Templeton et al. (Templeton)	5,679,940	Oct. 21, 1997
Funk	5,832,463	Nov. 03, 1998
Hills et al. (Hills)	6,164,528	Dec. 26, 2000

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The following rejections are on appeal before us:

1. Claims 1-4, 6, 7, 9, 11, 21 and 23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Templeton in view of Funk.

2. Claims 5 and 22 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Templeton in view of Funk and further in view of Higashiyama.

3. Claim 8 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Templeton in view of Funk and further in view of Hills.

4. Claim 10 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Templeton in view of Funk and further in view of Harr.

5. Claims 13-20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Templeton in view of Funk and further in view of Hills and Higashiyama.

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-10, 13-18, 20 and 23. We reach the opposite conclusion with respect to claims 11, 19, 21 and 22. Accordingly, we affirm-in-part.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467

(1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Only those arguments

actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered and are deemed to be waived [see 37 CFR § 41.37(c)(1)(vii)(2004)].

We consider first the rejection of claims 1-4, 6, 7, 9, 11, 21 and 23 based on Templeton and Funk. The examiner essentially finds that Templeton discloses the invention of claims 1, 21 and 23 except for an imaging device for capturing an image of the check. The examiner cites Funk as teaching this feature. The examiner finds that it would have been obvious to the artisan to employ an image scanner as taught by Funk in the system disclosed by Templeton [answer, pages 3-9].

With respect to claims 1-4, 6, 7, 9 and 23, appellants argue that there is no provided motivation to incorporate an imaging device into Templeton because there is no suggestion that Templeton would benefit from the imaging device. Appellants assert that the motivation proposed by the examiner is not suggested by either applied reference [brief, pages 4-7].

The examiner responds that Templeton teaches check acceptance, and when modified with the imaging capabilities of Funk, would provide for electronic check conversion and acceptance. The examiner asserts that any additional measure to obtain data in Templeton would enhance Templeton's system. The

examiner argues that adding the images of Funk to Templeton would provide better security and a backup in case an element malfunctions [answer, pages 25-27].

Appellants respond that since Templeton and Funk fail to address the trade-off problem between counter space and integration of functionality at the point of sale, they provide no motivation for the integration of their teachings [reply brief, pages 1-2].

We will sustain the examiner's rejection of claims 1-4, 6, 7, 9 and 23. Although appellants argue that the integration of a magnetic ink character recognition (MICR) device and a check imaging device are contrary to insight because of counter space considerations, there is nothing in representative claim 1 which relates to the size of the device. Without a limitation on size, we agree with the examiner that it would have been obvious to the artisan to add the known advantages of a check imaging device as taught by Funk to the check handling device of Templeton. We also note that Funk specifically teaches that an MICR reader, a check amount entry device, and an image capturing device may be implemented as an integrated input device [column 4, lines 6-9]. Thus, the collective teachings of Templeton and Funk would have suggested the integrated device of claim 1.

With respect to claim 11, in addition to the motivation argument considered above, appellants argue that the combination fails to teach processing the transaction as an electronic debit when the status is eligible, and otherwise, processing the transaction as a paper check as claimed [brief, pages 7-8]. The examiner responds that sending the check transaction to a host in Templeton teaches that money is electronically debited throughout the check transaction process [answer, page 27]. Appellants respond that Templeton does not discuss the specific approach to determining eligibility status and processing the transaction [reply brief, page 2].

We will not sustain the examiner's rejection of claim 11. Although Templeton teaches a scoring algorithm to determine whether a check should be accepted or not, the examiner has not addressed the eligibility rules of claim 11 which relate to whether the check is treated as a debit card or as a paper check. We have found nothing in Templeton or Funk, and the examiner has not pointed to anything in these references, which relates to the claimed feature of determining eligibility rules for processing a check as a debit transaction or as a paper check based on these eligibility rules.

With respect to claim 21, in addition to the motivation argument considered above, appellants argue that the combination

fails to teach the specific recitations of this claim and that the examiner has failed to address these limitations [brief, page 8]. The examiner responds that Templeton teaches that information is transferred between the systems using an application packet [answer, page 27]. Appellants respond that the specific activities recited in claim 21 are not taught by the applied prior art [reply brief, pages 2-3].

We will not sustain the examiner's rejection of claim 21. We agree with appellants that the examiner has failed to address the specific limitations of claim 21. We have found no teaching, and the examiner has pointed to none, regarding the downloading of a more current version of an application from the host to the payment terminal when such a more current version is available as claimed.

We now consider the rejection of claims 5 and 22 based on Templeton, Funk and Higashiyama. In addition to the arguments considered above, appellants argue that there is no motivation to integrate the printer of Higashiyama into a point of sale device as recited in claim 5 [brief, pages 8-9]. The examiner responds that it would have been obvious to the artisan to have a printer within the point of sale terminal because of the convenience [answer, page 28].

We will sustain the examiner's rejection of claim 5. Higashiyama teaches that it was known to write on a check and a roll receipt as part of a point of sale terminal. We agree with the examiner that it would have been obvious to integrate known features into the point of sale device of Templeton to obtain the individual benefits of each of the features. As noted above, the arguments related to counter space are not material to the invention as broadly claimed.

With respect to claim 22, in addition to the arguments considered above, appellants argue that the examiner's conclusion of the obviousness of printing a money order is unsupported by the prior art [brief, page 9]. The examiner responds that printing a money order would have been obvious because a money order is an art recognized equivalent of a check [answer, page 28].

We will not sustain the examiner's rejection of claim 22. Even if the examiner were correct that a check and a money order are art recognized equivalents, the cited prior art would only suggest that a money order could be read by the Templeton/Funk device. There is no teaching of printing a check or money order by the applied prior art.

With respect to the rejection of claim 8 based on Templeton, Funk and Hills, and the rejection of claim 10 based on Templeton,

Funk and Harr, appellants' only argument is that these claims are patentable based on their dependency from claim 1 [brief, page 10].

Since we find that the examiner has established at least a prima facie case of the obviousness of these claims, and since we have sustained the examiner's rejection of claim 1, we also sustain the rejection of claims 8 and 10 for reasons discussed above.

We now consider the rejection of claims 13-20 based on Templeton, Funk, Hills and Higashiyama. With respect to claims 13-18 and 20, appellants rely on arguments considered above [brief, page 10]. Therefore, we sustain the examiner's rejection of these claims for reasons discussed above. With respect to claim 19, appellants additionally argue that the combination of references fails to teach that the processor utilizes both the MICR device and the imaging device to determine a content string [brief, page 10]. The examiner responds that the system as taught by Templeton and Funk would allow the processor to utilize both the MICR device and the imaging device to determine the content string [answer, pages 28-29]. Appellants respond that the imaging device in Funk is not used for the purpose of check acceptance [reply brief, page 3].

We do not sustain the examiner's rejection of claim 19. Although the examiner is correct that the combination of Templeton and Funk would allow the processor to utilize both the MICR device and the imaging device to determine the content of the check character string, there is no teaching within Templeton and Funk to actually use the imaging device for such purpose. The only device for actually determining the claimed character string is the MICR device taught by Templeton. The fact that the Templeton device could be modified to carry out the claimed invention does not support a finding of obviousness without a suggestion to actually make that modification.

In summary, we have sustained the examiner's rejections of the claims with respect to claims 1-10, 13-18, 20 and 23, but we have not sustained the examiner's rejections of the claims with respect to claims 11, 19, 21 and 22. Therefore, the decision of the examiner rejecting claims 1-11 and 13-23 is affirmed-in-part.

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No time period for taking any subsequent action in
connection with this appeal may be extended under 37 CFR
§ 1.136(a)(1)(iv).

AFFIRMED-IN-PART

ERROL A. KRASS)	
Administrative Patent Judge)	
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JERRY SMITH)	BOARD OF PATENT
Administrative Patent Judge)	APPEALS AND
)	INTERFERENCES
)	
)	
MAHSHID D. SAADAT)	
Administrative Patent Judge)	

JS/dal

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BROOKS & KUSHMAN, P.C.
1000 TOWN CENTER
TWENTY-SECOND FLR.
SOUTHFIELD, MI 48075